PRESS RELEASE No. 20 -04

LATEST RESULTS CONFIRM THAT JAGUAR NICKEL'S ATMOSPHERIC CHLORIDE LEACH PROCESS IS PERFORMING AS ANTICIPATED

September 28, 2004, Toronto, Canada: Jaguar Nickel Inc. (TSX:JNI) is pleased to report that the latest results from the final full analysis of the second mini pilot plant campaign, together with ongoing laboratory testwork being carried out at Process Research Ortech Inc. (PRO) in Mississauga, Ontario, show that the Jaguar Nickel Inc. Atmospheric Chloride Leach Process (ACLP) is performing as anticipated. Nickel and cobalt extractions averaged 87% and 85%, respectively, throughout the pilot campaign from head grades of 1.3-1.4% Ni, 0.03-0.05% Co, 21-25% Fe and 6.5-7.6% Mg. During the pilot campaign, it was observed at times that nickel and cobalt extractions attained 97% and 95%, respectively.

Nickel hydroxide produced during the second pilot campaign contained 42-45% Ni content, compared to previous publicly reported values by third parties which have been no higher than 39% from other comparable projects using magnesia (MgO) as the precipitating reagent. This represents a concentration factor of some 30 times over the ore feed.

In comprehensive laboratory testing, it has been clearly demonstrated that iron extraction out of the leach circuit can be maintained at ≤0.1%. This confirms a key and fundamental feature of the ACLP and indicates that the secondary iron purification circuit included in the original scoping study carried out by Hatch Ltd. may not be necessary, which could result in potential capital and operating cost savings.

The second campaign was carried out earlier this year whilst laboratory testwork has been continuously ongoing. The Company now has a very good understanding of how the ACLP operates and is preparing the flowsheet for the imminent third pilot campaign at PRO, using somewhat more representative ore samples from the El Inicio deposit derived from the current drilling program.

In a further process development, preliminary laboratory testing has shown that cobalt values can be efficiently and effectively separated from nickel hydroxide in the high strength chloride solutions which are a feature of the ACLP, generating a very good purity cobalt product which should command a premium in the marketplace.

Dr. Bryn Harris is the qualified person for this press release.

Jaguar Nickel Inc. is a well funded, professionally managed resource company involved in developing nickel-cobalt laterite properties in Guatemala, Central America. The Company is developing an innovative and proprietary atmospheric leaching technology that has the potential to be economically and environmentally superior to traditional metallurgical treatments.

2015-120 Adelaide Street West
Toronto, Ontario M5H 1T1
Tel.: 416-363-1124 Fax: 416-360-0728
Contact: Somerset Parker, VP Marketing & Corporate Development
Email: sparker@jaguarnickel.com Web: www.jaguarnickel.com JNI: TSX

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. This document contains certain forward looking statements which involve known and unknown risks, delays, and uncertainties not under the Company's control which may cause actual results, performances or achievements of the Company to be materially different from those implied by these forward looking statements.